



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

S/037/116

Olene S. Walker
Governor

Kevin S. Carter
Director

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June 30, 2004

CERTIFIED MAIL NO. 7160 3901 9842 1746 8178

Sean Murphy
833 North Grayson Parkway
Blanding, UT 84511

RECEIVED

JUL - 1 2004

RE: ML 48768-MP
DOGM Permit #S/037/116

DIV OF OIL GAS & MINING

Dear Mr. Murphy:

The above numbered Mineral Materials Permit was issued for a one-year term commencing August 1, 2001. It was renewed for two additional terms of one year, expiring on July 31, 2004. Little production has been reported to the Trust Lands Administration by the Permittee during the almost three years that the permit has been in effect and no production has been reported since 2002. The project does not appear to be a going concern and the Trust Lands Administration does not intend to renew the permit for another term.

It is required that the Permittee immediately commence reclamation of mining disturbances upon the lands permitted under ML 48768. The reclamation measures we require are stated in your Small Mine Permit #S/037/116 issued by the Utah Division of Oil, Gas & Mining. Reclamation must also include: 1) the redistribution of all stockpiles of rock and soils and regarding of the site to approximate natural contours of the land; and, 2) the removal of all mining and processing equipment, supplies, trash and debris from the property. All reclamation should be completed by the end of July, 2004.

The Trust Lands Administration holds Surety Bond No. 6082849 with moon Mountain Stone Company as Principal and Safeco Insurance Company in the amount of \$10,000.00 to ensure mined land reclamation of the lands within ML 48768-MP. Failure of the Permittee to timely complete the required reclamation may result in forfeiture of the surety bond to the trust.

Please contact me if you have any questions in this matter.

Sincerely,

John T. Blake
Mineral Resources Specialist

CC: Paul Baker

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